To: CN=Matthew Cohn/OU=R8/O=USEPA/C=US@EPA;CN=Andy

Lensink/OU=R8/O=USEPA/C=US@EPA[]; N=Andy Lensink/OU=R8/O=USEPA/C=US@EPA[]

Cc: CN=Mike Gaydosh/OU=R8/O=USEPA/C=US@EPA[]

From: CN=Thomas Sitz/OU=R8/O=USEPA/C=US

Sent: Thur 6/7/2012 7:37:52 PM

Subject: HYDRAULIC FRACTURING: Wyo. regulator apologizes for 'inconsiderate remarks'

EnergyWire EnergyWire Greenwire

1. HYDRAULIC FRACTURING:

Wyo. regulator apologizes for 'inconsiderate remarks'

Mike Soraghan, E&E reporter Published: Thursday, June 7, 2012

Wyoming's top oil and gas official, Tom Doll, apologized yesterday, hours after the state's governor repudiated Doll's assertion that a group of Wyoming residents pressing water pollution complaints are motivated by "greed."

"I sincerely apologize for my inappropriate and inconsiderate remarks and my comments about conclusions I have drawn," Doll, the state's oil and gas supervisor, said in a statement to the Wyoming news site WyoFile. "The state and citizens of the state demand that I am objective in this investigation and any other investigation of impacts to the public health and safety."

Speaking at a meeting of his fellow state oil and gas officials Tuesday in Vancouver, British Columbia, Doll said a group of landowners near Pavillion, Wyo., "just want to be compensated" (EnergyWire, June 6). Shortly after the news hit in Wyoming yesterday, Gov. Matt Mead criticized Doll's assertions. "The statements made by Supervisor Doll do not reflect the view of this administration," spokesman Renny MacKay said in an emailed statement to EnergyWire and other outlets. "Governor Mead has directed state agencies and their staffs to assure an open and transparent process to address the concerns of Pavillion-area residents. The comments made by Mr. Doll are contrary to the governor's expectation."

Mead is traveling in China and not available for an interview, MacKay said. Speaking to WyoFile, MacKay said, "I'm shocked, personally." Doll did not respond to EnergyWire's request for comment. Doll was appointed by the previous governor, Democrat Dave Freudenthal, and stayed on under the administration of Mead, a Republican. Prior to taking the position, Doll had served as manager for Williams Production Co., overseeing the company's coalbed methane gas operations in the Powder River Basin from 1997 to 2008.

He spoke about the Pavillion case Tuesday at the midyear meeting of the Interstate Oil and Gas Compact Commission in Vancouver. In a room full enough that some were standing in the back, he delivered a pointed and detailed critique of a December 2011 report from U.S. EPA stating that some groundwater in the Pavillion area had been contaminated by fluid used in hydraulic fracturing of gas wells. His irritation showed to the point that one of his colleagues later chided him by asking, "How's your blood pressure?" "I really believe greed is driving this," Doll said. "They're not happy with the state. They're not happy with the governor of Wyoming. And they're not happy with the EPA at times. They're just not happy people, and they're just looking to be compensated."

Encana, the main driller in the area and a \$10,000 "silver" sponsor of the IOGCC meeting, has also disputed most of EPA's findings and disparaged the agency's methods.

State officials have set aside \$750,000 to provide drinking water from cisterns for the residents (EnergyWire, June 1). They have put on hold the idea of a water pipeline because it would likely cost upward of \$2 million.

Doll told the group in Vancouver on Tuesday that he and other state officials have concluded that the contamination EPA reported finding in a monitoring well came from the drilling of the well itself. "Our conclusion is that the chemicals were introduced into the well by drilling the well," he said. He also apologized yesterday for making that conclusion, saying it was "premature because the scientific investigation to address the concerns of the Pavillion area residents is ongoing."

In the wake of the December report, EPA has been working with state officials, the U.S. Geological Survey and others to do another round of sampling. But some of that work is what Doll criticized Tuesday.

"Governor Mead is committed to ensuring that residents in the Pavillion area have clean drinking water," MacKay said in his statement yesterday. "It is premature to draw conclusions about the outcome of the current scientific investigation, which will be informed by sampling and analysis of the EPA's deep monitor wells. Governor Mead continues to say Wyoming will be led by the science."

Doll told the group Tuesday that state officials responded to the residents' complaints in 2008 and earlier by doing testing that found no contamination from oil and gas activity. Unhappy with that finding, he said, the residents asked U.S. EPA officials to investigate.

After EPA found "petroleum compounds" in 17 of 19 drinking water wells in 2010, the U.S. Agency for Toxic Substances and Disease Registry recommended that some well owners use alternative sources of water for drinking and cooking. The agencies made no conclusion about where those compounds came from.

The December report was based on sampling water in numerous wells. Its most controversial findings came from "deep" monitoring wells drilled much deeper than residents' drinking water wells. It found that fracturing fluid contaminated the water near the deep monitoring wells but not in the more shallow drinking-water wells (Greenwire, Jan. 23).

EPA's finding punctured an industry talking point -- that fracturing has been used safely for 60 years and has never, ever contaminated groundwater. But fracturing done in Pavillion was much closer to the surface -- and groundwater -- than the miledeep "fracking" in shale formations like Pennsylvania's Marcellus.

The agency did, however, find that oil and gas production activities -- drilling, not "fracking" -- did contaminate wells as shallow as 15 feet with high concentrations of benzene, xylenes and other toxins. But EPA did not find those concentrations in drinking water. EPA's report is a draft, and its findings will be subjected to peer review.

Doll told the state officials and industry executives in Vancouver he believes that EPA decided fracking was the culprit and worked backward to support its conclusion. He said groundwater in Wyoming often has a bad taste and odor when it comes out of the ground due to iron and other chemicals. The aquifer in the Pavillion area, he said, is recharged with agricultural runoff, which has its own chemicals.